

1 **BEFORE THE ARIZONA CORPORATION COMMISSION**

2 **COMMISSIONERS**

3 GARY PIERCE - Chairman  
4 BOB STUMP  
5 SANDRA D. KENNEDY  
6 PAUL NEWMAN  
7 BRENDA BURNS

8 IN THE MATTER OF THE APPLICATION OF  
9 ARIZONA-AMERICAN WATER COMPANY,  
10 AN ARIZONA CORPORATION, FOR A  
11 DETERMINATION OF THE CURRENT FAIR  
12 VALUE OF ITS UTILITY PLANT AND  
13 PROPERTY AND FOR INCREASES IN ITS  
14 RATES AND CHARGES BASED THEREON  
15 FOR UTILITY SERVICE BY ITS AGUA FRIA  
16 WATER DISTRICT, HAVASU WATER  
17 DISTRICT, AND MOHAVE WATER  
18 DISTRICT.

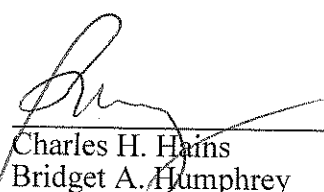
DOCKET NO. W-01303A-10-0448

**NOTICE OF FILING**

**DIRECT TESTIMONY OF  
STEVEN M. OLEA IN SUPPORT OF  
SETTLEMENT AGREEMENT**

14 Staff of the Arizona Corporation Commission ("Staff ") hereby files the Direct Testimony  
15 Steven M. Olea in Support of Settlement Agreement.

16 RESPECTFULLY SUBMITTED this 15<sup>th</sup> day of December, 2011.

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19  
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BEFORE THE ARIZONA CORPORATION COMMISSION

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Chairman

BOB STUMP

Commissioner

SANDRA D. KENNEDY

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WATER DISTRICT, HAVASU WATER )  
DISTRICT, AND MOHAVE WATER DISTRICT )  
\_\_\_\_\_ )

DOCKET NO. W-01303A-10-0448

DIRECT TESTIMONY

OF

STEVEN M. OLEA

IN SUPPORT OF SETTLEMENT AGREEMENT

DIRECTOR

UTILITIES DIVISION

ARIZONA CORPORATION COMMISSION

DECEMBER 15, 2011

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**EXECUTIVE SUMMARY**  
**ARIZONA AMERICAN WATER COMPANY**  
**DOCKET NO. W-01303A-10-0448**

Mr. Olea's testimony supports the adoption of the Settlement Agreement ("Agreement") as proposed by the Signatories in this case. This testimony describes the settlement process as open, candid and inclusive of all parties to this case. Mr. Olea explains why Staff believes this Agreement is fair, balanced, and in the public interest. In addition, Mr. Olea summarizes the different portions of the Agreement and explains why it results in just and reasonable rates for consumers and is fair to the utility. Mr. Olea's testimony recommends that the Commission adopt the Agreement as proposed.

**I. INTRODUCTION**

**Q. Please state your name, occupation, and business address.**

A. My name is Steven M. Olea. I am employed by the Arizona Corporation Commission ("ACC" or "Commission") as the Director of the Utilities Division ("Division"). My business address is 1200 West Washington Street, Phoenix, Arizona 85007.

**Q. Please describe your educational background.**

A. I graduated from Arizona State University ("ASU") in 1976 with a Bachelors Degree in Civil Engineering. From 1976 to 1978 I obtained 47 graduate hours of credit in Environmental Engineering at ASU.

**Q. Please state your pertinent work experience.**

A. From April 1978 to October 1978 I worked for the Engineering Services Section of the Bureau of Air Quality Control in the Arizona Department of Health Services ("ADHS"). My responsibilities were to inspect air pollution sources to determine compliance with ADHS rules and regulations.

From November 1978 to July 1982 I was with the Technical Review Unit of the Bureau of Water Quality Control ("BWQC") in ADHS (this is now part of the Arizona Department of Environmental Quality ["ADEQ"]). My responsibilities were to review water and wastewater construction plans for compliance with ADHS rules, regulations, and Engineering Bulletins.

From July 1982 to August 1983 I was with the Central Regional Office, BWQC, ADHS. My responsibilities were to conduct construction inspections of water and wastewater facilities to determine compliance with plans approved by the Technical Review Unit. I



1       also performed routine operation and maintenance inspections to determine compliance  
2       with ADHS rules and regulations, and compliance with United States Environmental  
3       Protection Agency requirements.

4  
5       From August 1983 to August 1986 I was a Utilities Consultant/Water-Wastewater  
6       Engineer with the Division. My responsibilities were to provide engineering analyses of  
7       Commission regulated water and wastewater utilities for rate cases, financing cases, and  
8       consumer complaint cases. I also provided testimony at hearings for those cases.

9  
10      From August 1986 to August 1990 I was the Engineering Supervisor for the Division. My  
11      primary responsibility was to oversee the activities of the Engineering Section, which  
12      included one technician and eight Utilities Consultants. The Utilities Consultants included  
13      one Telecommunications Engineer, three Electrical Engineers, and four Water-  
14      Wastewater Engineers.

15  
16      I also assisted the Chief Engineer and performed some of the same tasks as I did as a  
17      Utilities Consultant. In August 1990 I was promoted to the position of Chief Engineer.  
18      My duties were somewhat the same as when I was the Engineering Supervisor, except that  
19      now I was less involved with the day-to-day supervision of the Engineering Staff and  
20      more involved with the administrative and policy aspects of the Engineering Section.

21  
22      In April 2000 I was promoted to the position of one of two Assistant Directors of the  
23      Division. In this position I assisted the Division Director in the policy aspects of the  
24      Division. I was primarily responsible for matters dealing with water and energy.  
25

1 In August 2009 I was promoted to my present position as Director of the Utilities  
2 Division. In this position I manage the day-to-day operations of the Utilities Division with  
3 the assistance of the Utilities Division Assistant Director and oversee the management of  
4 the Division's Telecom & Energy Section, the Financial & Regulatory Analysis Section,  
5 the Consumer Services Section, the Engineering Section and the Administrative Section.  
6 In addition, I am responsible for making policy decisions for the Division.

7  
8 In early 2010 I was given the task of being the Interim Director for the Commission's  
9 Safety Division (Railroad and Pipeline). The day-to-day activities of the Safety Division  
10 are overseen by the managers of the Railroad Safety Section and the Pipeline Safety  
11 Section with input from me. Together with the Commission's Executive Director, I am  
12 responsible for the policy decisions for the Safety Division.

13  
14 **Q. What is the purpose of your testimony in this case?**

15 A. The purpose of my testimony is to support the Proposed Settlement Agreement  
16 ("Agreement"). I will also provide testimony which addresses the settlement process,  
17 public interest benefits and general policy considerations.

18  
19 **Q. Did you participate in the negotiations that led to the execution of the Agreement?**

20 A. Yes, I did.

21  
22 **Q. How is your testimony being presented?**

23 A. My testimony is being divided into five sections. Section I is this introduction, Section II  
24 provides a discussion of the settlement process, Section III discusses various parts of the  
25 Agreement, Section IV identifies and discusses reasons why the Agreement is in the  
26 public interest and Section V addresses general policy considerations. Attached to my

1 testimony are Exhibits A and B which contain schedules show rate design for Havasu  
2 Water and Mohave Water, which schedules were prepared by Jeffrey M. Michlik at my  
3 direction.

4 **Q. Does the Agreement contain any provisions that are unusual or reflect a change in**  
5 **the policy of the Commission?**

6 A. No. The Agreement contains no provisions which have not been routinely adopted by the  
7 Commission in other cases.

8  
9 **II. SETTLEMENT PROCESS**

10 **Q. Please discuss the settlement process.**

11 A. The settlement process was open, transparent and inclusive. All parties received notice of  
12 the settlement meetings and were accorded an opportunity to raise, discuss and propose  
13 resolution to any issue they desired.

14  
15 **Q. How many meetings were held?**

16 A. Staff is advised that several of the parties met on December 2, 2011 at the offices of the  
17 Residential Utility Consumers Office ("RUCO"). However, Staff did not attend this  
18 meeting. On December 6, 2011, a day-long group settlement meeting was attended by all  
19 represented parties, including Staff, but not including Mashie, LLC dba Corte Bella Golf  
20 Club ("Corte Bella").

21  
22 **Q. Who participated in the meeting?**

23 A. Arizona-American Water Company (the "Company"), EPCOR Water USA, Inc.  
24 ("EPCOR"), the Cross River Homeowners Association ("Cross River"), the Water Utility  
25 Association of Arizona ("WUAA"), the Sun City Grand Community Association ("Sun

1 City Grand”), and the class of 17 HOAs<sup>1</sup> it represents, DMB White Tank, LLC (“DMB”),  
2 Verrado Community Association (“Verrado”), the City of Surprise (Surprise”), RUCO  
3 and Division Staff (“Staff”). At this time there remained eight individual customers who  
4 had been granted intervener status, of which seven had not appeared nor participated at  
5 any of the proceedings thus far. Although they were notified of the settlement meetings,  
6 none of these intervenors was present.

7  
8 **Q. Could you identify some of the diverse interests that were involved in this process?**

9 A. Yes. The diverse interests included Staff, RUCO, the applicant, consumer representatives,  
10 the entity which intends to acquire ownership of the applicant, homeowners’ associations,  
11 individual residential ratepayers, private golf courses, an advocate for the water utility  
12 industry in Arizona, and a representative of a city government.

13  
14 **Q. How many of these parties executed the Agreement?**

15 A. All parties who participated in the settlement process have executed the Agreement.  
16 Although Corte Bella did not attend the group settlement meeting, Corte Bella and the  
17 Company resolved the issues between those parties and Corte Bella executed the  
18 Agreement.

19  

---

<sup>1</sup> By the Procedural Order of September 23, 2011, Sun City Grand was designated as the representative for the Arizona Traditions Homeowners Association, Inc. (“ATHA”); the Clearwater Farms Unit II Property Owners Association (“CF2POA”); Clearwater Farms Three homeowners Association, Inc. (“CF3HNY”); Cortessa Community Association, (“CCA”); the Greer Ranch South Homeowners Association (“GRSHA”); The Happy Trails Community Association (“HTCA”); the Legacy Park South Homeowners Association (“LPSHA”); Northwest Ranch Community Association (“NRCA”); the Russell Ranch Homeowners Association (“RRHA”); Summerfield at Litchfield Subdivision Homeowners Association (“SLSHA”); Sun Village Community Association (“SVCA”); Surprise Farms Phase 1A Community Association (“SFIACA”); Surprise Farms I1 Community Association (“SF2CA”); Surprise Farms I11 Community Association (“SF3CA”); and the Sycamore Estates Parcel 13 Community Association (“SEP13CA”) were granted intervention and Sun City Grand named their representative. By the Procedural Order of November 18, 2011, Kingwood Parke Community Association (“Kingwood Parke”) and Sierra Montana Homeowner’s Association (“Sierra Montana”) were added to this class.

1 **Q. Was there an opportunity for all parties to the docket to participate?**

2 A. Yes. Staff filed its Staff's Notice of Settlement Discussions on December 1, 2011, and  
3 mailed a copy to all parties in the docket. That notice stated the date, time, location and  
4 purpose of the scheduled meeting. In addition, those Settlement Discussions were  
5 discussed during the first day of hearing in this matter on December 5, 2011.  
6

7 **Q. Was there an opportunity for all issues to be discussed and considered?**

8 A. Yes, each party had the opportunity to raise and have its issues considered.  
9

10 **Q. Were the Signatories able to resolve all issues?**

11 A. Yes, the signatories were able to resolve and reach agreement on all issues.  
12

13 **Q. How would you describe the negotiations?**

14 A. All parties zealously advocated their positions, thoroughly and in a professional yet candid  
15 manner. Each party's position was given serious consideration and accommodations were  
16 made by each party to accomplish an agreement that could be approved by all.  
17

18 **Q. Would you describe the process as requiring give and take?**

19 A. Yes, very much so. The interests of the parties were diverse and each party exhibited a  
20 willingness to compromise.  
21

22 **Q. Do you believe the public interest was compromised by such compromise?**

23 A. No, I do not. I believe that the compromises made by the parties actually further the  
24 public interest.  
25

1     **III. SETTLEMENT AGREEMENT**

2     **Q.     Please describe Part 1 of the Agreement.**

3     A.     Part I is a general description of the case history, the settlement process and the  
4            Agreement itself.

5  
6     **Q.     Please describe Part 2 of the Agreement.**

7     A.     Part 2 of the Agreement describes the Revenue Requirement, including rate base,  
8            expenses and rate of return, for all three districts.

9  
10    **Q.     Please describe Part 3 of the Agreement.**

11    A.     Part 3 of the Agreement discusses additional terms for the Agua Fria District.

12  
13    **Q.     Please describe Part 4 of the Agreement.**

14    A.     Part 4 of the Agreement discusses additional terms for the Mohave and Havasu Districts.

15  
16    **Q.     Please describe Part 5 of the Agreement.**

17    A.     Part 5 of the Agreement discusses the independent consideration and approval of the  
18            Agreement as well as the impact of any material changes to the Agreement by the  
19            Commission.

20  
21    **Q.     Please describe Part 6 of the Agreement.**

22    A.     Part 6 of the Agreement sets forth miscellaneous terms of the Agreement regarding the  
23            parties' authority to enter into the same, the extent to which it may be relied upon and the  
24            confidentiality of negotiations.

25

1 **Q. Are any other items included?**

2 A. Yes. Summary schedules showing rate impacts and other financial details are attached to  
3 the Agreement. Gerald W. Becker prepared those documents and will be available to  
4 testify regarding them should there be any questions.  
5

6 **IV. PUBLIC INTEREST**

7 **Q. Is the Agreement in the public interest?**

8 A. Yes, in Staff's opinion, the Agreement is fair, balanced, and in the public interest.  
9

10 **Q. Would you summarize the reasons that lead Staff to conclude that the Agreement is**  
11 **fair, balanced, and in the public interest?**

12 A. This Agreement results in a settlement package that addresses the Company's need for a  
13 rate increase while balancing this need with terms and conditions that provide customer  
14 benefits. Particularly as to the Agua Fria District, this rate case was highly contentious,  
15 with ratepayers being faced with a potential 80 percent or greater rate increase, and a  
16 significant disparity between the positions of the parties. That the parties were able to  
17 resolve all issues is, itself, in the public interest. In addition, the Agreement provides the  
18 following benefits:  
19

- 20 • All of the White Tanks plant located in the Agua Fria District has been included in  
21 rate base. Prior to construction of this plant, Agua Fria relied solely on  
22 groundwater to supply its nearly 34,000 customers with water. The addition of the  
23 White Tanks Plant, which uses surface water, will act to conserve groundwater.  
24
- 25 • The Company is required to develop a 5 year plan for the reduction of water loss in  
26 the Havasu and Mohave Water Districts and submit that plan to Staff. The

1 Company was previously ordered to curtail water loss but has been unable to  
2 achieve that goal. Rather than merely penalizing the Company, this provision  
3 creates a mechanism which will result in a resolution of the water loss issue.  
4

- 5 • The Company agrees to accept adjustment GWB-13 which represents the costs of  
6 chemicals and fuel and power related to non-revenue water. This will result in  
7 costs related to excess non-revenue water not being recovered from ratepayers.  
8

- 9 • The Mohave and Havasu Districts have adopted Staff's rate design and the Agua  
10 Fria District's rate design is only slightly modified from Staff's proposal.  
11 Customers are rewarded for efficient water use and sent appropriate pricing  
12 signals, which is consistent with the Commission's policy of establishing rates that  
13 promote efficient water use.  
14

- 15 • The rate design adopted further allows the Company a declining usage adjustment,  
16 with an annual reporting requirement.  
17

- 18 • In addition, the Company has agreed not to create a new category of irrigation  
19 customer, which would have had a significant impact on residential users.  
20

- 21 • The Company's withdrawal of its request for an Infrastructure System  
22 Replacement Surcharge ("ISRS") program for routine expenditures is consistent  
23 with the Commission's policy that that the use of such adjustor mechanisms be  
24 limited to extraordinary circumstances.  
25



- 1           •       The Agreement adopts Staff's recommended method of determining depreciation  
2                   rates, which does not include a consideration of net salvage value or the cost of  
3                   removal of assets.
- 4
- 5           •       The Agreement adopts Staff's recommendation regarding power costs, which  
6                   acknowledges the reduction in power costs represented by the White Tanks plant  
7                   and the use of surface water.
- 8
- 9           •       The Company will not seek a rate increase until the final phase of the phase-in has  
10                  been in effect for six months or more, which means that the test year will end no  
11                  sooner than December 31, 2014 and that a rate case cannot be filed before January  
12                  1, 2015.
- 13

14       **Q.    Mr. Olea, do you believe that the Agreement results in just and reasonable rates for**  
15       **consumers?**

16       A.    Yes. In its rate application, the Company proposed revenue increases in the amount of  
17           \$17,524,862, or 72.08 percent, for the Agua Fria District; \$2,236,750, or 45.61 percent  
18           increase, for the Mohave District; and \$632,015, or 49.92 percent and for the Havasu  
19           District. The Company accepts all of Staff's operating income adjustments except for  
20           \$154,820 of Staff's aggregate adjustments for the Agua Fria district, as shown on  
21           Schedule GWB-11 of the schedules filed concurrently herewith by Gerald W. Becker. For  
22           the Agua Fria system, the Agreement resulted in the reduction in the proposed revenue  
23           increase from 72.08 per cent to 58 per cent, as reflected in Agua Fria GWB-1 of said  
24           schedules. Agua Fria Ratepayers benefit by the three-stage phase in of rates and the  
25           Company's is agreeing to forego significant revenues and the interest and carrying charges  
26           on the deferral of rates under the phase-in.

1 For the Mohave and Havasu districts, ratepayers benefit by reductions in the proposed  
2 revenue increases from \$2,236,750 to \$1,812,486 for Mohave and from \$632,015 to  
3 \$609,838 for Havasu, as reflected in Schedules GWB-1 for each respective system.  
4

5 **Q. Please discuss how the Agreement is fair to the utility.**

6 A. The Company benefits from the inclusion of the entirety of its White Tanks plant being  
7 included in rate base. The revenues set out in the Agreement will provide the Company  
8 with adequate funds to provide reliable and safe service, while at the same time ensuring  
9 the financial health of the Company.  
10

11 **Q. Mr. Olea, what was Staff's goal when it agreed to be a signatory to the Agreement?**

12 A. The primary goal of Staff in this matter, as in all rate proceedings before the Commission,  
13 is to protect the public interest by recommending rates that are just, fair and reasonable for  
14 both the rate payers and the Company. Staff believes it has accomplished this by  
15 reviewing the facts presented and making the appropriate recommendations to the  
16 Commission for its consideration, which will balance the interest of the Company and the  
17 ratepayers, by promoting the Commission's desire to ensure that the Company has the  
18 tools and financial health to provide safe, adequate and reliable service and fulfill the  
19 Commission's goal of an efficient use of Arizona's limited water resources.  
20

21 **V. POLICY CONSIDERATIONS**

22 **Q. Mr. Olea, would you say that there any significant policy consideration the parties**  
23 **had to deal with in this Docket?**

24 A. No, not really. The Company did propose some items that were inconsistent with  
25 Commission policy but, as the Agreement does not adopt these, there remains nothing in  
26 the Agreement that constitutes a deviation from existing Commission policy.

1 **Q. Is there anything else you would like to add regarding the Agreement?**

2 A. Yes. First, I would like to point out that with most settlement agreements I have seen  
3 come before the Commission, the agreements have recommended a revenue increase that  
4 is somewhere between Staffs original proposal and the utility's. In this case, the  
5 Agreement has a revenue increase only slightly higher than that originally proposed by  
6 Staff after all adjustments were made.

7  
8 Second, based on all the above, Staff believes that the Agreement as proposed is fair,  
9 balanced, and in the public interest. Therefore, Staff recommends that the Agreement be  
10 approved by the Commission as proposed.

11  
12 **Q. Does this conclude your Direct Testimony?**

13 A. Yes, it does.

# **EXHIBIT A**

Monthly Usage Charge		Present	Company Proposed Rates	Staff Recommended Rates
Low Income Credit	HLICR	\$ -	\$ (10.00)	\$ (10.00)
Havasu Residential 5/8" & 3/4"	H1M1A	23.50	35.31	29.00
Havasu Residential 1"	H1M1B	58.75	88.28	72.50
Havasu Residential 1-1/2"		117.50	176.55	145.00
Havasu Residential 2"	H1M1D	188.00	282.49	232.00
Havasu Residential 3"		376.10	565.12	464.00
Havasu Residential 4"	H1M1F	587.50	882.77	725.00
Havasu Residential 6"		1,174.95	1,765.46	1,450.00
Havasu Residential 8"		1,879.91	2,824.72	2,320.00
Havasu Residential 10"		2,702.37	4,060.53	3,335.00
Havasu Residential 12"		5,052.26	7,591.43	6,235.00
Havasu Residential Apartment 4" Valley Manor	H1M3H	13.00	19.53	18.20
Havasu Residential Apartment 4" Kenjen RV	H1M3J	13.00	19.53	18.20
Havasu Residential Apartment 4" Falls RV	H1M3K	13.00	19.53	18.20
Havasu Residential Apartment 1" LH RV	H1M3L	13.00	19.53	18.20
Havasu Residential Apartment 1" D Hills RV	H1M3M	13.00	19.53	18.20
Havasu Residential Apartment 4" River Valley D	H1M3N	13.00	19.53	18.20
Havasu Residential Apartment 2"		13.00	19.53	18.20
Havasu Residential Apartment 3"		13.00	19.53	18.20
Havasu Residential Apartment 6"		13.00	19.53	18.20
Havasu Commercial 5/8" & 3/4"	H2M1A	23.50	35.31	29.00
Havasu Commercial 1"	H2M1B	58.75	88.28	72.50
Havasu Commercial 1-1/2"		117.50	176.55	145.00
Havasu Commercial 2"	H2M1D	188.00	282.49	232.00
Havasu Commercial 3"	H2M1E	376.10	565.12	464.00
Havasu Commercial 4"		587.50	882.77	725.00
Havasu Commercial 6"	H2M1G	1,174.95	1,765.46	1,450.00
Havasu Commercial 8"		1,879.91	2,824.72	2,320.00
Havasu Commercial 10"		2,702.37	4,060.53	3,335.00
Havasu Commercial 12"		5,052.26	7,591.43	6,235.00

Note: If there is no rate schedule number this means the Company currently has no customers, except for low income.

Commodity Charge				
Havasu Residential 5/8" & 3/4"	H1M1A			
First 4,000 gallons		\$ 2.3400	\$ 3.5160	N/A
4,001 to 13,000 gallons		3.0200	4.5378	N/A
Over 13,000 gallons		3.5500	5.3342	N/A
First 3,000 gallons		N/A	N/A	3.1300
3,001 to 9,000 gallons		N/A	N/A	4.3300
Over 9,000 gallons		N/A	N/A	6.6600
Havasu Residential 1"	H1M1B			
First 30,000 gallons		3.0200	4.5378	N/A
Over 30,000 gallons		3.5500	5.3342	N/A
First 15,000 gallons		N/A	N/A	4.3300
Over 15,000 gallons		N/A	N/A	6.6600
Havasu Residential 1-1/2"				
N/A		3.0200	4.5378	N/A
N/A		3.5500	5.3342	N/A
First 40,000 gallons		N/A	N/A	4.3300
Over 40,000 gallons		N/A	N/A	6.6600
Havasu Residential 2"	H1M1D			
First 60,000 gallons		3.0200	4.5378	N/A
Over 60,000 gallons		3.5500	5.3342	N/A
First 60,000 gallons		N/A	N/A	4.3300
Over 60,000 gallons		N/A	N/A	6.6600
Havasu Residential 3"				
First 90,000 gallons		3.0200	4.5378	N/A
Over 90,000 gallons		3.5500	5.3342	N/A
First 90,000 gallons		N/A	N/A	4.3300
Over 90,000 gallons		N/A	N/A	6.6600
Havasu Residential 4"	H1M1F			
First 110,000 gallons		3.0200	4.5378	N/A
Over 110,000 gallons		3.5500	5.3342	N/A
First 150,000 gallons		N/A	N/A	4.3300
Over 150,000 gallons		N/A	N/A	6.6600
Havasu Residential 6"				
First 500,000 gallons		3.0200	4.5378	N/A
Over 500,000 gallons		3.5500	5.3342	N/A

First 400,000 gallons	N/A	N/A	4.3300
Over 400,000 gallons	N/A	N/A	6.6600
Havasu Residential 8"			
N/A	3.0200	4.5378	N/A
N/A	3.5500	5.3342	N/A
First 685,000 gallons	N/A	N/A	4.3300
Over 685,000 gallons	N/A	N/A	6.6600
Havasu Residential 10"			
N/A	3.0200	4.5378	N/A
N/A	3.5500	5.3342	N/A
First 985,000 gallons	N/A	N/A	4.3300
Over 985,000 gallons	N/A	N/A	6.6600
Havasu Residential 12"			
N/A	3.0200	4.5378	N/A
N/A	3.5500	5.3342	N/A
First 1,800,000 gallons	N/A	N/A	4.3300
Over 1,800,000 gallons	N/A	N/A	6.6600
Havasu Residential Apartment 4" Valley Manor H1M3H			
First 110,000 gallons	3.0200	4.5378	N/A
Over 110,000 gallons	3.5500	5.3342	N/A
First 150,000 gallons	N/A	N/A	4.3300
Over 150,000 gallons	N/A	N/A	6.6600
Havasu Residential Apartment 4" Kenjen RV H1M3J			
First 110,000 gallons	3.0200	4.5378	N/A
Over 110,000 gallons	3.5500	5.3342	N/A
First 150,000 gallons	N/A	N/A	4.3300
Over 150,000 gallons	N/A	N/A	6.6600
Havasu Residential Apartment 4" Falls RV H1M3K			
First 110,000 gallons	3.0200	4.5378	N/A
Over 110,000 gallons	3.5500	5.3342	N/A
First 150,000 gallons	N/A	N/A	4.3300
Over 150,000 gallons	N/A	N/A	6.6600
Havasu Residential Apartment 1" LH RV H1M3L			
First 30,000 gallons	3.0200	4.5378	N/A
Over 30,000 gallons	3.5500	5.3342	N/A
First 15,000 gallons	N/A	N/A	4.3300
Over 15,000 gallons	N/A	N/A	6.6600
Havasu Residential Apartment 1" D Hills RV H1M3M			
First 30,000 gallons	3.0200	4.5378	N/A
Over 30,000 gallons	3.5500	5.3342	N/A

First 15,000 gallons		N/A	N/A	4.3300
Over 15,000 gallons		N/A	N/A	6.6600
Havasu Residential Apartment 4" River Valley D H1M3N				
First 110,000 gallons	3.0200	4.5378	N/A	
Over 110,000 gallons	3.5500	5.3342	N/A	
First 150,000 gallons	N/A	N/A	4.3300	
Over 150,000 gallons	N/A	N/A	6.6600	
Havasu Residential Apartment 2" H1M3N				
First 60,000 gallons	3.0200	4.5378	N/A	
Over 60,000 gallons	3.5500	5.3342	N/A	
First 60,000 gallons	N/A	N/A	4.3300	
Over 60,000 gallons	N/A	N/A	6.6600	
Havasu Residential Apartment 3"				
First 90,000 gallons	3.0200	4.5378	N/A	
Over 90,000 gallons	3.5500	5.3342	N/A	
First 90,000 gallons	N/A	N/A	4.3300	
Over 90,000 gallons	N/A	N/A	6.6600	
Havasu Residential Apartment 6"				
First 500,000 gallons	3.0200	4.5378	N/A	
Over 500,000 gallons	3.5500	5.3342	N/A	
First 400,000 gallons	N/A	N/A	4.3300	
Over 400,000 gallons	N/A	N/A	6.6600	
Havasu Commercial 5/8" & 3/4" H2M1A				
First 13,000 gallons	3.0200	4.5378	N/A	
Over 13,000 gallons	3.5500	5.3342	N/A	
First 9,000 gallons	N/A	N/A	4.3300	
Over 9,000 gallons	N/A	N/A	6.6600	
Havasu Commercial 1" H2M1B				
First 30,000 gallons	3.0200	4.5378	N/A	
Over 30,000 gallons	3.5500	5.3342	N/A	
First 15,000 gallons	N/A	N/A	4.3300	
Over 15,000 gallons	N/A	N/A	6.6600	
Havasu Commercial 1-1/2"				
N/A	3.0200	4.5378	N/A	
N/A	3.5500	5.3342	N/A	
First 40,000 gallons	N/A	N/A	4.3300	
Over 40,000 gallons	N/A	N/A	6.6600	
Havasu Commercial 2" H2M1D				
First 60,000 gallons	3.0200	4.5378	N/A	
Over 60,000 gallons	3.5500	5.3342	N/A	
First 60,000 gallons	N/A	N/A	4.3300	
Over 60,000 gallons	N/A	N/A	6.6600	
Havasu Commercial 3" H2M1E				
First 90,000 gallons	3.0200	4.5378	N/A	
Over 90,000 gallons	3.5500	5.3342	N/A	
First 90,000 gallons	N/A	N/A	4.3300	
Over 90,000 gallons	N/A	N/A	6.6600	
Havasu Commercial 4"				
First 110,000 gallons	3.0200	4.5378	N/A	
Over 110,000 gallons	3.5500	5.3342	N/A	
First 150,000 gallons	N/A	N/A	4.3300	
Over 150,000 gallons	N/A	N/A	6.6600	
Havasu Commercial 6" H2M1G				
First 500,000 gallons	3.0200	4.5378	N/A	
Over 500,000 gallons	3.5500	5.3342	N/A	
First 400,000 gallons	N/A	N/A	4.3300	
Over 400,000 gallons	N/A	N/A	6.6600	

Havasu Commercial 8"			
N/A	3.0200	4.5378	N/A
N/A	3.5500	5.3342	N/A
First 685,000 gallons	N/A	N/A	4.3300
Over 685,000 gallons	N/A	N/A	6.6600
Havasu Commercial 10"			
N/A	3.0200	4.5378	N/A
N/A	3.5500	5.3342	N/A
First 985,000 gallons	N/A	N/A	4.3300
Over 985,000 gallons	N/A	N/A	6.6600
Havasu Commercial 12"			
N/A	3.0200	4.5378	N/A
N/A	3.5500	5.3342	N/A
First 1,800,000 gallons	N/A	N/A	4.3300
Over 1,800,000 gallons	N/A	N/A	6.6600
Hydrant	N/A	N/A	12.5000
2" Sprinkler/Line	N/A	N/A	5.0000
4" Sprinkler/Line	N/A	N/A	10.0000
8" Sprinkler/Line	N/A	N/A	20.0000
Low Income Surcharge	N/A	N/A	0.1519
<b>Service Charges</b>			
Establishment Re-establishment and/or reconnection of Service:			
Regular Hours	25.0000	25.0000	25.0000
After Hours	34.0000	34.0000	35.0000
Water Meter Test (If Correct)	10.0000	10.0000	10.0000
Meter Re-Read (If Correct)	5.0000	5.0000	5.0000
NSF Check Charge	25.0000	25.0000	25.0000
Late Fee Charge	1.5% Per Month	1.5% Per Month	1.5% Per Month
Deferred Payment Finance Charge	1.5% Per Month	1.5% Per Month	1.5% Per Month
Deposit Requirements Residential	**	**	**
Deposit Requirements Non-Residential	**	**	**
Deposit Interest	***	***	***
** Residential - two times the average bill. Non-residential - two and one-half times the estimated maximum bill. *** Interest per [Per ACC Rule 14-2-403(B)]			
<b>Service Line Charges</b>			
5/8 x 3/4-inch Meter	\$ 445.00	\$ 445.00	\$ 445.00
3/4-inch Meter	\$ 445.00	\$ 445.00	\$ 445.00
1-inch Meter	\$ 495.00	\$ 495.00	\$ 495.00
1 1/2-inch Meter	\$ 550.00	\$ 550.00	\$ 550.00
2-inch Turbine Meter	\$ 830.00	\$ 830.00	\$ 830.00
2-inch Compound Meter	\$ 830.00	\$ 830.00	\$ 830.00
3-inch Turbine Meter	Actual Cost	Actual Cost	Actual Cost
3-inch Compound Meter	Actual Cost	Actual Cost	Actual Cost
4-inch Turbine Meter	Actual Cost	Actual Cost	Actual Cost
4-inch Compound Meter	Actual Cost	Actual Cost	Actual Cost
6-inch Turbine Meter	Actual Cost	Actual Cost	Actual Cost
6-inch Compound Meter	Actual Cost	Actual Cost	Actual Cost
8-inch or Larger	Actual Cost	Actual Cost	Actual Cost
<b>Meter Installation Charges</b>			
5/8 x 3/4-inch Meter	\$ 155.00	\$ 155.00	\$ 155.00
3/4-inch Meter	\$ 255.00	\$ 255.00	\$ 255.00
1-inch Meter	\$ 315.00	\$ 315.00	\$ 315.00
1 1/2-inch Meter	\$ 525.00	\$ 525.00	\$ 525.00
2-inch Turbine Meter	\$ 1,045.00	\$ 1,045.00	\$ 1,045.00
2-inch Compound Meter	\$ 1,890.00	\$ 1,890.00	\$ 1,890.00
3-inch Turbine Meter	Actual Cost	Actual Cost	Actual Cost
3-inch Compound Meter	Actual Cost	Actual Cost	Actual Cost
4-inch Turbine Meter	Actual Cost	Actual Cost	Actual Cost
4-inch Compound Meter	Actual Cost	Actual Cost	Actual Cost
6-inch Turbine Meter	Actual Cost	Actual Cost	Actual Cost
6-inch Compound Meter	Actual Cost	Actual Cost	Actual Cost
8-inch or Larger	Actual Cost	Actual Cost	Actual Cost



# **EXHIBIT B**

Monthly Usage Charge		Present	Company Proposed Rates	Staff Recommended Rates
Low Income Credit	GLICR	\$ -	\$ (5.00)	\$ (5.00)
Bullhead Residential 5/8" & 3/4"	G1M1A	9.00	13.53	11.00
Bullhead Residential 1"	G1M1B	22.50	33.8179	27.50
Bullhead Residential 1 1/2"		45.00	67.6359	55.00
Bullhead Residential 2"	G1M1D	72.00	108.2174	88.00
Bullhead Residential 3"	G1M1E	144.00	216.4348	176.00
Bullhead Residential 4"		225.00	338.1794	275.00
Bullhead Residential 6"		450.00	676.3589	550.00
Bullhead Residential 8"		720.00	1,082.1742	880.00
Bullhead Residential 10"		1,035.00	1,555.6255	1,265.00
Bullhead Residential 12"		1,935.00	2,908.3433	2,365.00
Bullhead Residential Apt 5/8"	G1M2A	9.00	13.5272	11.00
Bullhead Residential Apt 1"	G1M2B	22.50	33.8179	27.50
Bullhead Residential Apt 1-1/2"	G1M2C	45.00	67.6359	55.00
Bullhead Residential Apt 2"	G1M2D	72.00	108.2174	88.00
Bullhead Residential Apt 3"		144.00	216.4348	176.00
Bullhead Residential Apt 4"	G1M2F	225.00	338.1794	275.00
Bullhead Residential Apt 6"	G1M2G	450.00	676.3589	550.00
Bullhead Residential Apt 8"	G1M2H	720.00	1,082.1742	880.00
Bullhead Residential Apt 10"		1,035.00	1,555.6255	1,265.00
Bullhead Residential Apt 12"		1,935.00	2,908.3433	2,365.00
Rio Utility Residential 5/8"	G1M3A	9.00	13.5272	11.00
Rio Utility Residential 1"	G1M3B	22.50	33.8179	27.50
Bullhead Commercial 5/8" & 3/4"	G2M1A	9.00	13.5272	11.00
Bullhead Commercial 1"	G2M1B	22.50	33.8179	27.50
Bullhead Commercial 1-1/2"	G2M1C	45.00	67.6359	55.00
Bullhead Commercial 2"	G2M1D	72.00	108.2174	88.00
Bullhead Commercial 3"	G2M1E	144.00	216.4348	176.00
Bullhead Commercial 4"	G2M1F	225.00	338.1794	275.00
Bullhead Commercial 6"	G2M1G	450.00	676.3589	550.00
Bullhead Commercial 8"		720.00	1,082.1742	880.00
Bullhead Commercial 10"		1,035.00	1,555.6255	1,265.00
Bullhead Commercial 12"		1,935.00	2,908.3433	2,365.00
BHC Veterans Memorial	G2M1V	9.00	13.5272	11.00
Bullhead Industrial 5/8" & 3/4"		9.00	13.5272	11.00
Bullhead Industrial 1"		22.50	33.8179	27.50
Bullhead Industrial 1 1/2"		45.00	67.6359	55.00
Bullhead Industrial 2"		72.00	108.2174	88.00
Bullhead Industrial 3"		144.00	216.4348	176.00
Bullhead Industrial 4"		225.00	338.1794	275.00
Bullhead Industrial 6"		450.00	676.3589	550.00
Bullhead Industrial 8"		720.00	1,082.1742	880.00
Bullhead Industrial 10"		1,035.00	1,555.6255	1,265.00
Bullhead Industrial 12"		1,935.00	2,908.3433	2,365.00
Bullhead OPA - 5/8"	G4M1	9.00	13.5272	11.00
Bullhead OPA - 1"	G4M1	22.50	33.8179	27.50
Bullhead OPA - 1-1/2"	G4M1	45.00	67.6359	55.00
Bullhead OPA - 2"	G4M1	72.00	108.2174	88.00
Bullhead OPA - 3"	G4M1	144.00	216.4348	176.00
Bullhead OPA - 4"	G4M1	225.00	338.1794	275.00
Bullhead OPA - 6"	G4M1	450.00	676.3589	550.00
Bullhead OPA - 8"		720.00	1,082.1742	880.00
Bullhead OPA - 10"		1,035.00	1,555.6255	1,265.00
Bullhead OPA - 12"		1,935.00	2,908.3433	2,365.00
Bullhead Irrigation - 5/8"	G7M1	9.00	13.5272	11.00
Bullhead Irrigation - 1"	G7M1	22.50	33.8179	27.50
Bullhead Irrigation - 2"	G7M1	72.00	108.2174	88.00
Bullhead Private Fire 2"	G6M02	3.36	5.0501	5.00
Bullhead Private Fire 4"	G6M04	6.71	10.0853	10.00
Bullhead Private Fire 6"	G6M06	10.08	15.1504	15.00
Bullhead Private Fire 8"	G6M08	13.44	20.2006	20.00
Bullhead Private Fire 10"	G6M10	16.79	25.2357	20.00
Bullhead Public Hydrants	G8M1	8.56	12.8658	12.32
Bullhead Private Hydrants		8.56	12.8658	12.32
Public Sprinkler Head		0.51	0.7665	0.73

Note: If there is no rate schedule number this means the Company currently has no customers, except for low income.

Commodity Charge

Bullhead Residential 5/8" & 3/4"	G1M1A				
First 4,000 gallons		\$	0.8850	\$	1.3302
4,001 to 10,000 gallons			1.3430		2.0186
Over 10,000 gallons			1.6070		2.4154
					N/A
First 3,000 gallons			N/A		N/A
3,001 to 10,000 gallons			N/A	\$	0.8800
Over 10,000 gallons			N/A		1.8400
					3.0000
Bullhead Residential 1"	G1M1B				
First 25,000 gallons			1.3430		2.0186
Over 25,000 gallons			1.6070		2.4154
					N/A
First 15,000 gallons			N/A		N/A
Over 15,000 gallons			N/A		1.8400
					3.0000
Bullhead Residential 1 1/2"					
First 50,000 gallons			1.3430		2.0186
Over 50,000 gallons			1.6070		2.4154
					N/A
First 30,000 gallons			N/A		N/A
Over 30,000 gallons			N/A		1.8400
					3.0000
Bullhead Residential 2"	G1M1D				
First 80,000 gallons			1.3430		2.0186
Over 80,000 gallons			1.6070		2.4154
					N/A
First 50,000 gallons			N/A		N/A
Over 50,000 gallons			N/A		1.8400
					3.0000
Bullhead Residential 3"	G1M1E				
First 150,000 gallons			1.3430		2.0186
Over 150,000 gallons			1.6070		2.4154
					N/A
First 100,000 gallons			N/A		N/A
Over 100,000 gallons			N/A		1.8400
					3.0000
Bullhead Residential 4"					
First 250,000 gallons			1.3430		2.0186
Over 250,000 gallons			1.6070		2.4154
					N/A
First 150,000 gallons			N/A		N/A
Over 150,000 gallons			N/A		1.8400
					3.0000
Bullhead Residential 6"					
First 500,000 gallons			1.3430		2.0186
Over 500,000 gallons			1.6070		2.4154
					N/A
First 300,000 gallons			N/A		N/A
Over 300,000 gallons			N/A		1.8400
					3.0000
Bullhead Residential 8"					
First 1,125,000 gallons			1.3430		2.0186
Over 1,125,000 gallons			1.6070		2.4154
					N/A
First 500,000 gallons			N/A		N/A
Over 500,000 gallons			N/A		1.8400
					3.0000
Bullhead Residential 10"					
First 1,500,000 gallons			1.3430		2.0186
Over 1,500,000 gallons			1.6070		2.4154
					N/A
First 750,000 gallons			N/A		N/A
Over 750,000 gallons			N/A		1.8400
					3.0000
Bullhead Residential 12"					
First 2,250,000 gallons			1.3430		2.0186
Over 2,250,000 gallons			1.6070		2.4154
					1.8400
					3.0000

First 1,400,000 gallons		N/A	N/A	1.8400
Over 1,400,000 gallons		N/A	N/A	3.0000
Bullhead Residential Apt 5/8"	G1M2A			
First 10,000 gallons		1.3430	2.0186	N/A
Over 10,000 gallons		1.6070	2.4154	N/A
First 10,000 gallons		N/A	N/A	1.8400
Over 10,000 gallons		N/A	N/A	3.0000
Bullhead Residential Apt 1"	G1M2B			
First 25,000 gallons		1.3430	2.0186	N/A
Over 25,000 gallons		1.6070	2.4154	N/A
First 15,000 gallons		N/A	N/A	1.8400
Over 15,000 gallons		N/A	N/A	3.0000
Bullhead Residential Apt 1-1/2"	G1M2C			
First 50,000 gallons		1.3430	2.0186	N/A
Over 50,000 gallons		1.6070	2.4154	N/A
First 30,000 gallons		N/A	N/A	1.8400
Over 30,000 gallons		N/A	N/A	3.0000
Bullhead Residential Apt 2"	G1M2D			
First 80,000 gallons		1.3430	2.0186	N/A
Over 80,000 gallons		1.6070	2.4154	N/A
First 50,000 gallons		N/A	N/A	1.8400
Over 50,000 gallons		N/A	N/A	3.0000
Bullhead Residential Apt 4"	G1M2F			
First 250,000 gallons		1.3430	2.0186	N/A
Over 250,000 gallons		1.6070	2.4154	N/A
First 150,000 gallons		N/A	N/A	1.8400
Over 150,000 gallons		N/A	N/A	3.0000
Bullhead Residential Apt 6"	G1M2G			
First 500,000 gallons		1.3430	2.0186	N/A
Over 500,000 gallons		1.6070	2.4154	N/A
First 300,000 gallons		N/A	N/A	1.8400
Over 300,000 gallons		N/A	N/A	3.0000
Bullhead Residential Apt 8"	G1M2H			
First 1,125,000 gallons		1.3430	2.0186	N/A
Over 1,125,000 gallons		1.6070	2.4154	N/A
First 500,000 gallons		N/A	N/A	1.8400
Over 500,000 gallons		N/A	N/A	3.0000
Bullhead Residential Apt 10"				
First 1,500,000 gallons		1.3430	2.0186	N/A
Over 1,500,000 gallons		1.6070	2.4154	N/A
First 750,000 gallons		N/A	N/A	1.8400
Over 750,000 gallons		N/A	N/A	3.0000
Bullhead Residential Apt 12"				
First 2,250,000 gallons		1.3430	2.0186	N/A
Over 2,250,000 gallons		1.6070	2.4154	N/A
First 1,400,000 gallons		N/A	N/A	1.8400
Over 1,400,000 gallons		N/A	N/A	3.0000
Rio Utility Residential 5/8"	G1M3A			
First 4,000 gallons		\$ 0.8850	\$ 1.3302	N/A
4,001 to 10,000 gallons		1.3430	2.0186	N/A
Over 10,000 gallons		1.6070	2.4154	N/A

First 3,000 gallons		N/A	N/A	0.8800
4,001 to 10,000 gallons		N/A	N/A	1.8400
Over 10,000 gallons		N/A	N/A	3.0000
Rio Utility Residential 1"	G1M3B			
First 25,000 gallons		1.3430	2.0186	N/A
Over 25,000 gallons		1.6070	2.4154	N/A
First 15,000 gallons		N/A	N/A	1.8400
Over 15,000 gallons		N/A	N/A	3.0000
Bullhead Commercial 5/8" & 3/4"	G2M1A			
First 10,000 gallons		1.3430	2.0186	N/A
Over 10,000 gallons		1.6070	2.4154	N/A
First 10,000 gallons		N/A	N/A	1.8400
Over 10,000 gallons		N/A	N/A	3.0000
Bullhead Commercial 1"	G2M1B			
First 25,000 gallons		1.3430	2.0186	N/A
Over 25,000 gallons		1.6070	2.4154	N/A
First 15,000 gallons		N/A	N/A	1.8400
Over 15,000 gallons		N/A	N/A	3.0000
Bullhead Commercial 1-1/2"	G2M1C			
First 50,000 gallons		1.3430	2.0186	N/A
Over 50,000 gallons		1.6070	2.4154	N/A
First 30,000 gallons		N/A	N/A	1.8400
Over 30,000 gallons		N/A	N/A	3.0000
Bullhead Commercial 2"	G2M1D			
First 80,000 gallons		1.3430	2.0186	N/A
Over 80,000 gallons		1.6070	2.4154	N/A
First 50,000 gallons		N/A	N/A	1.8400
Over 50,000 gallons		N/A	N/A	3.0000
Bullhead Commercial 3"	G2M1E			
First 150,000 gallons		1.3430	2.0186	N/A
Over 150,000 gallons		1.6070	2.4154	N/A
First 100,000 gallons		N/A	N/A	1.8400
Over 100,000 gallons		N/A	N/A	3.0000
Bullhead Commercial 4"	G2M1F			
First 250,000 gallons		1.3430	2.0186	N/A
Over 250,000 gallons		1.6070	2.4154	N/A
First 150,000 gallons		N/A	N/A	1.8400
Over 150,000 gallons		N/A	N/A	3.0000
Bullhead Commercial 6"	G2M1G			
First 500,000 gallons		1.3430	2.0186	N/A
Over 500,000 gallons		1.6070	2.4154	N/A
First 300,000 gallons		N/A	N/A	1.8400
Over 300,000 gallons		N/A	N/A	3.0000
Bullhead Commercial 8"				
First 1,125,000 gallons		1.3430	2.0186	N/A
Over 1,125,000 gallons		1.6070	2.4154	N/A
First 500,000 gallons		N/A	N/A	1.8400
Over 500,000 gallons		N/A	N/A	3.0000
Bullhead Commercial 10"				
First 1,500,000 gallons		1.3430	2.0186	N/A
Over 1,500,000 gallons		1.6070	2.4154	N/A

First 750,000 gallons	N/A	N/A	1.8400
Over 750,000 gallons	N/A	N/A	3.0000
Bullhead Commercial 12"			
First 2,250,000 gallons	1.3430	2.0186	N/A
Over 2,250,000 gallons	1.6070	2.4154	N/A
First 1,400,000 gallons	N/A	N/A	1.8400
Over 1,400,000 gallons	N/A	N/A	3.0000
BHC Veterans Memorial	G2M1V		
First 10,000 gallons	1.3430	2.0186	N/A
Over 10,000 gallons	1.6070	2.4154	N/A
First 10,000 gallons	N/A	N/A	1.8400
Over 10,000 gallons	N/A	N/A	3.0000
Bullhead Industrial 5/8" & 3/4"			
First 10,000 gallons	1.3430	2.0186	N/A
Over 10,000 gallons	1.6070	2.4154	N/A
First 10,000 gallons	N/A	N/A	1.8400
Over 10,000 gallons	N/A	N/A	3.0000
Bullhead Industrial 1"			
First 25,000 gallons	1.3430	2.0186	N/A
Over 25,000 gallons	1.6070	2.4154	N/A
First 15,000 gallons	N/A	N/A	1.8400
Over 15,000 gallons	N/A	N/A	3.0000
Bullhead Industrial 1 1/2"			
First 50,000 gallons	1.3430	2.0186	N/A
Over 50,000 gallons	1.6070	2.4154	N/A
First 30,000 gallons	N/A	N/A	1.8400
Over 30,000 gallons	N/A	N/A	3.0000
Bullhead Industrial 2"			
First 80,000 gallons	1.3430	2.0186	N/A
Over 80,000 gallons	1.6070	2.4154	N/A
First 50,000 gallons	N/A	N/A	1.8400
Over 50,000 gallons	N/A	N/A	3.0000
Bullhead Industrial 3"			
First 150,000 gallons	1.3430	2.0186	N/A
Over 150,000 gallons	1.6070	2.4154	N/A
First 100,000 gallons	N/A	N/A	1.8400
Over 100,000 gallons	N/A	N/A	3.0000
Bullhead Industrial 4"			
First 250,000 gallons	1.3430	2.0186	N/A
Over 250,000 gallons	1.6070	2.4154	N/A
First 150,000 gallons	N/A	N/A	1.8400
Over 150,000 gallons	N/A	N/A	3.0000
Bullhead Industrial 6"			
First 500,000 gallons	1.3430	2.0186	N/A
Over 500,000 gallons	1.6070	2.4154	N/A
First 300,000 gallons	N/A	N/A	1.8400
Over 300,000 gallons	N/A	N/A	3.0000
Bullhead Industrial 8"			
First 1,125,000 gallons	1.3430	2.0186	N/A
Over 1,125,000 gallons	1.6070	2.4154	N/A

First 500,000 gallons			N/A	N/A	1.8400
Over 500,000 gallons			N/A	N/A	3.0000
Bullhead Industrial 10"					
First 1,500,000 gallons			1.3430	2.0186	N/A
Over 1,500,000 gallons			1.6070	2.4154	N/A
First 750,000 gallons			N/A	N/A	1.8400
Over 750,000 gallons			N/A	N/A	3.0000
Bullhead Industrial 12"					
First 2,250,000 gallons			1.3430	2.0186	N/A
Over 2,250,000 gallons			1.6070	2.4154	N/A
First 1,400,000 gallons			N/A	N/A	1.8400
Over 1,400,000 gallons			N/A	N/A	3.0000
Bullhead OPA - 5/8" & 3/4"	G4M1	All Usage	1.3430	2.0186	1.8400
Bullhead OPA - 1"	G4M1	All Usage	1.3430	2.0186	1.8400
Bullhead OPA - 1 1/2"	G4M1	All Usage	1.3430	2.0186	1.8400
Bullhead OPA - 2"	G4M1	All Usage	1.3430	2.0186	1.8400
Bullhead OPA - 4"	G4M1	All Usage	1.3430	2.0186	1.8400
Bullhead OPA - 6"	G4M1	All Usage	1.3430	2.0186	1.8400
Bullhead OPA - 8"	G4M1	All Usage	1.3430	2.0186	1.8400
Bullhead OPA - 10"	G4M1	All Usage	1.3430	2.0186	1.8400
Bullhead OPA - 12"	G4M1	All Usage	1.3430	2.0186	1.8400
Bullhead Private Fire 2"	G6M02	All Usage	1.3430	2.0186	1.8400
Bullhead Private Fire 4"	G6M04	Per Service	1.3430	2.0186	1.8400
Bullhead Private Fire 6"	G6M06	Per Service	1.3430	2.0186	1.8400
Bullhead Private Fire 8"	G6M08	Per Service	1.3430	2.0186	1.8400
Bullhead Private Fire 10"	G6M10	Per Service	1.3430	2.0186	1.8400
Bullhead Public Hydrants	G8M1	Per Service	1.3430	2.0186	1.8400
Bullhead Private Hydrants		Per Service	1.3430	2.0186	1.8400
Public Sprinkler Head		Per Service	1.3430	2.0186	1.8400
Low Income Surcharge			N/A	N/A	0.2066
<b>Service Charges</b>					
Establishment or re-establishment of Service:					
Including Sewer Service	\$	25.00	\$	25.00	\$ 25.00
No Including Sewer Service	\$	20.00	\$	20.00	\$ 20.00
Reconnection of Service (Delinquent):					
Regular Hours	\$	35.00	\$	35.00	\$ 35.00
After Hours	\$	50.00	\$	50.00	\$ 35.00
Water Meter Test (If Correct)	\$	35.00	\$	35.00	\$ 35.00
Meter Re-Read (If Correct)	\$	25.00	\$	25.00	\$ 25.00
NSF Check Charge	\$	25.00	\$	25.00	\$ 25.00
Late Fee Charge	1.5% Per Month		1.5% Per Month		1.5% Per Month
Deferred Payment Finance Charge	1.5% Per Month		1.5% Per Month		1.5% Per Month
Deposit Requirements Residential	*		*		*
Deposit Requirements Non-Residential	*		*		*
Deposit Interest	**		**		**

		Service Line Charge	Total Charge
<b>Service Line Charges</b>			
5/8 x 3/4-inch Meter	\$ 370.00	\$ 370.00	\$ 370.00
3/4-inch Meter	\$ 370.00	\$ 370.00	\$ 370.00
1-inch Meter	\$ 420.00	\$ 420.00	\$ 420.00
1 1/2-inch Meter	\$ 450.00	\$ 450.00	\$ 450.00
2-inch Turbine Meter	\$ 580.00	\$ 580.00	\$ 580.00
2-inch Compound Meter	\$ 580.00	\$ 580.00	\$ 580.00
3-inch Turbine Meter	\$ 745.00	\$ 745.00	\$ 745.00
3-inch Compound Meter	\$ 465.00	\$ 465.00	\$ 465.00
4-inch Turbine Meter	\$ 1,090.00	\$ 1,090.00	\$ 1,090.00
4-inch Compound Meter	\$ 1,120.00	\$ 1,120.00	\$ 1,120.00
6-inch Turbine Meter	\$ 1,610.00	\$ 1,610.00	\$ 1,610.00
6-inch Compound Meter	\$ 1,630.00	\$ 1,630.00	\$ 1,630.00
8-inch or Larger	Actual Cost	Actual Cost	Actual Cost
<b>Meter Installation Charges</b>			
5/8 x 3/4-inch Meter	\$ 130.00	\$ 130.00	\$ 130.00
3/4-inch Meter	\$ 205.00	\$ 205.00	\$ 205.00
1-inch Meter	\$ 240.00	\$ 240.00	\$ 240.00
1 1/2-inch Meter	\$ 450.00	\$ 450.00	\$ 450.00
2-inch Turbine Meter	\$ 945.00	\$ 945.00	\$ 945.00
2-inch Compound Meter	\$ 1,640.00	\$ 1,640.00	\$ 1,640.00
3-inch Turbine Meter	\$ 1,420.00	\$ 1,420.00	\$ 1,420.00
3-inch Compound Meter	\$ 2,195.00	\$ 2,195.00	\$ 2,195.00
4-inch Turbine Meter	\$ 2,270.00	\$ 2,270.00	\$ 2,270.00
4-inch Compound Meter	\$ 3,145.00	\$ 3,145.00	\$ 3,145.00
6-inch Turbine Meter	\$ 4,425.00	\$ 4,425.00	\$ 4,425.00
6-inch Compound Meter	\$ 6,120.00	\$ 6,120.00	\$ 6,120.00
8-inch or Larger	Actual Cost	Actual Cost	Actual Cost